

INFORMATION BULLETIN

JOB TRAINING PARTNERSHIP ACT

Employment Development Department

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TO: SERVICE DELIVERY AREA ADMINISTRATORS
PRIVATE INDUSTRY COUNCIL CHAIRPERSONS
JTPD PROGRAM OPERATORS
EDD JOB SERVICE OFFICE MANAGERS
JTPD STAFF

SUBJECT: STATUS OF THE CALIFORNIA WAIVER PLAN

This Information Bulletin transmits information on the status of California's negotiations with the Department of Labor (DOL) regarding implementation of the California State Waiver Plan (Plan). The state issued the initial DOL response to the Plan as an attachment to Job Training Partnership Act (JTPA) Information Bulletin B97-54 (October 30, 1997). This initial response indicated that DOL agreed in principle with eleven of the twelve requested waivers. Subsequently, the Job Training Partnership Division (JTPD) met with the Service Delivery Area (SDA) Advisory Committee and convened an SDA work group to respond to the initial DOL proposal.

Discussion of waivers at the SDA Administrators' Quarterly meeting on Friday, December 5, 1997, focused on developing a counterproposal to DOL's plan. On Friday, December 12, 1997, representatives of SDAs, the state, and DOL, Region IX and National Office, met to discuss California's concerns for implementing a waiver plan. At this meeting, the following points were presented to Jim Aaron of the DOL National Office as key issues remaining for resolution.

The state and SDA representatives question the premise of tying all waivers to percentage increases for performance measurements. Additionally, the current performance improvement methodology proposed by DOL penalizes SDAs that are already achieving high outcomes. The state maintains if the current methodology proposed by DOL is applied, adjustments must be developed to negate penalties to SDAs with high levels of performance. Representatives at the meeting asked DOL to reconsider their proposed methodology.

Jim Aaron understood the state and SDA concerns about the methodology for measuring performance improvements and proposed forwarding these issues to DOL National Office staff with particular expertise in this area. All parties agreed that until this major concern was addressed, no further action could be taken to approve, accept, or implement California JTPA waivers.

During the meeting, it was again reinforced that performance improvements will not affect the distribution of Titles II-A and II-C incentive awards for Program Year (PY) 1997-98. Current plans call for the state to convene a work group with SDA representation to design an incentive award system for PY 1998-99 which takes into account the waivers performance goals. This system will be based upon the performance improvements designated by DOL, but reflective of state concerns.

The DOL Regional Office staff, in a conference call on January 6, 1998, stated that the response they had received from National Office staff indicated a willingness to adjust the performance measurement methodology and asked the state to propose an alternative model. On January 13, a meeting was held with SDA representatives to present an alternative model developed by the San Diego SDA. Another meeting to cover more technical information and to allow for presentation and discussion of various alternative derivatives of the model was held on January 14. The work group recommendations were presented to the SDA Advisory Group on January 15, and a final recommended model was determined. This model is being sent under separate cover to the SDAs for consideration. A list of guiding principles was also developed by the SDA and state staff (see attachment). (These were amended slightly after the last advisory meeting.) The DOL Region IX Administrator, Armando Quiroz, met with Ray Remy, Director of the Employment Development Department on January 22, 1998, to discuss the status of the waivers package. Mr. Quiroz stated that his most recent discussion with DOL National Office policy staff confirmed their interest in resolving California's concerns and moving forward with waivers in a manner satisfactory to all. The proposed model and list of guiding principles were shared with him. A further update will be sent out as soon as further input is received by the state from DOL.

This Information Bulletin is not notification to the SDAs to implement waivers. This direction will be issued by the state following the completion of negotiations.

/S/ BILL BURKE

Acting Assistant Deputy Director

Attachment

**CONCEPTUAL FRAMEWORK:
PERFORMANCE IMPROVEMENT UNDER WAIVERS
CALIFORNIA**

Guiding Principles:

1. The principles of continuous improvement are embraced and every local area will be expected to improve its performance.
2. Because the lowest performing local areas have farther to go to attain above average performance, they would be expected to increase their performance relatively more than higher performing local areas.
3. At a minimum, local areas must meet their model-adjusted standards.
4. Expected performance increases will be set for each of the required performance measures where the waivers are expected to lead to higher performance. Therefore, in California, the proposed performance increase will apply only to the following four measures—
 - Adult follow-up entered employment rate
 - Welfare adult follow-up entered employment rate
 - Youth positive termination rate
 - Title III entered employment rate at termination
5. The actual performance expectation for the state will be defined based on the agreed to performance model. The state will endeavor to meet the performance expectation of the Department of Labor (DOL), that is five percent.
6. The evaluation period will run through the end of program year 1998-99. State and local partners will monitor the ongoing progress toward attainment of the final objectives.
7. California will integrate performance expectations under waivers into the Title II incentive award process. The details of this will not be addressed in this proposal.
8. California will implement the “cafeteria plan” outlined in the state’s original waiver proposal. The three statewide waivers will be implemented in all Service Delivery Areas (SDA). The remaining waivers will be optional for the SDAs.
9. The state’s waiver package can be put into effect as soon as possible with the understanding that the state can renegotiate with DOL and local areas at the end of the PY based upon further analysis and experience to date.